

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF DELAWARE**

IN THE MATTER OF THE PROVISION     )  
OF STANDARD OFFER SUPPLY TO        )  
RETAIL CONSUMERS IN THE SERVICE    )  
TERRITORY OF DELMARVA POWER &     )       PSC DOCKET NO. 17-0164  
LIGHT COMPANY                         )  
(FILED MARCH 31, 2017                 )

**ORDER NO. 9173**

**AND NOW**, this 1<sup>st</sup> day of February 2018, the Delaware Public Service Commission (the "Commission") determines and orders the following:

**WHEREAS**, on March 31, 2017, Delmarva Power & Light Company ("Delmarva") filed revised electric tariffs reflecting revised Standard Offer Service ("SOS") rates, a revised Procurement Cost Adjustment (the "PCA"), and a revised Reasonable Allowance for Retail Margin ("RARM") with an effective date of June 1, 2017, with proration (the "2017 SOS-PCA-RARM Filing");<sup>1</sup> and

**WHEREAS**, on May 25, 2017, the Commission adopted Order No.9063, which approved the proposed tariff rates included in the 2017 SOS-PCA-RARM Filing on a temporary basis, subject to refund; and

**WHEREAS**, pursuant to Order No. 9063, Delmarva published public notice on June 1, 2017 and June 2, 2017, in *The News Journal* and the *Delaware State News*, respectively, of the SOS-PCA-RARM Filing and the

---

<sup>1</sup> The 2015 SOS-PCA-RARM Filing includes information required pursuant to several Commission Orders, including Order No. 6746 (October 30, 2009), Order No. 7162 (April 27, 2007), Order No. 8258 (April 13, 2012), Order No. 8144 (May 15, 2012), Order No. 8093 (December 20, 2011) and Order NO. 8450 (September 10, 2013).

Commission-ordered deadline of July 28, 2017 to file comments or objections or to file petitions to intervene; and

**WHEREAS**, there were no petitions to intervene or objections or comments with respect to the 2017 SOS-PCA-RARM Filing; and

**WHEREAS**, on May 25, 2017, Delmarva filed work papers supporting the proposed electric tariff changes and bill impact information which reflected a proposed monthly decrease of \$6.34<sup>2</sup> (or a decrease of 4.55%) for a residential customer using 1,000 kWh per month on an annual average basis; and

**WHEREAS**, on May 25, 2017, Delmarva filed work papers supporting the results of the RARM factor on an actual basis for the RARM reporting year ending December 31, 2016, which reflected that the total RARM rate for fixed price customers increased by 19.50% from the RARM rate currently in effect. Therefore, a new RARM rate would go in effect June 1, 2017;<sup>3</sup> and

**WHEREAS**, Staff met with Delmarva in one workshop to review the 2017 SOS-PCA-RARM Filing and all related work papers; and

**WHEREAS**, in response to Staff's discovery, Delmarva committed to \$32,554.19 worth of adjustments<sup>4</sup> to be made in the 2018 SOS-PCA-RARM Filing; and

**WHEREAS**, in late 2016 and early 2017, Delmarva conducted its twelfth annual SOS procurement for supply contracts commencing on June

---

<sup>2</sup>This does not include the RPS Charge or the Qualified Fuel Cell Provider Renewable Charge("QFCP-RC") or any changes in distribution rates.

<sup>3</sup>See PSC Docket No. 09-9 (the "RARM Settlement") which provides that where the change in the total RARM rate exceeds +/-5.25%, Delmarva is required to submit a formal filing for the Commission's review.

<sup>4</sup> See Staff Memo, Docket No. 17-0164 at 2, n.5.

1, 2017, using a Commission approved, revised reverse auction process;<sup>5</sup>  
and

**WHEREAS**, Delmarva published notice on January 11, 2018 in *The News Journal* and the *Delaware State News* of the Evidentiary Hearing to be held on February 1, 2018; and

**WHEREAS**, the Commission held the noticed evidentiary hearing on February 1, 2018, at which Staff and Delmarva presented witnesses who testified that the 2017 SOS-PCA-RARM Filing, all related work papers, and proposed rates and tariff changes comply with previous Commission orders, comport with the bidding results reflected in Liberty Consulting Group, Inc.'s Technical Consultant's Final Report to the Delaware Public Service Commission titled "Delmarva Power & Light's 2017-2018 Request for Proposals for Full Requirements Wholesale Electric Supply for Standard Offer Service" dated March 31, 2017, and reflect the total supply costs for which Delmarva requested recovery; and

**WHEREAS**, subject to the necessary adjustments in the 2018 SOS-PCA-RARM Filing explained above, Staff recommends final approval of Delmarva's proposed tariff revisions as set forth in the 2017 SOS-PCA-RARM Filing for the period June 1, 2017, through May 31, 2018;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE  
AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. Delmarva shall reflect the adjustments discussed in the body of this Order in its 2018 SOS-PCA-RARM Filing.

---

<sup>5</sup>See Order No. 6746 (September 1, 2005) for background on the original auction process. See Order No. 7461 (October 7, 2008) for background on the revised, reverse auction process.

2. The proposed rates and tariff changes included in the 2017 SOS-PCA-RARM Filing with an effective date of June 1, 2017, for the period ending May 31, 2018, are approved on a final basis.

3. The Commission reserves jurisdiction and authority to enter such further Orders in this matter as may be necessary or proper.

**BY ORDER OF THE COMMISSION:**

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary